



# Croatian Telecom

Zagreb – 25 April 2024

Croatian Telecom Inc.

Radnička cesta 21, HR – Zagreb

Ordinary share: HT (ISIN: HRHT00RA0005)

LEI: 097900BFHJ0000029454

Listing: Zagreb Stock Exchange, Prime Market

Member State: Republic of Croatia

## Counterproposal to the Decision proposal for the General Assembly

Enclosed to this notification, Croatian Telecom Inc. (hereinafter referred to as “the Company”), pursuant to Article 282 of the Companies Act, publishes the counterproposal from INTERCAPITAL ASSET MANAGEMENT Ltd., on behalf of Croatian Homeland war veterans and their family members Fund, to the decision proposal under the Agenda Item Ad. 6 of the General Assembly of the Company, convoked for 8 May 2024.

Counterproposal is published on the web site of the Company ([www.t.ht.hr](http://www.t.ht.hr)) and is delivered the same day to the Zagreb Stock Exchange, to the Official Register of Proscribed Information, and is made available to the shareholders and for issuing of copies at the seat of the Company in Zagreb.

### Contact details

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### About Croatian Telecom

Croatian Telecom (HT) is the leading provider of telecommunication services in Croatia, serving 0.7 million fixed lines, 2.3 million mobile customers and 0.7 million broadband connections through its Residential and Business divisions.

**Croatian Telecom Inc.**  
**Radnička cesta 21**  
**Zagreb**

**Subject – shareholder counterproposal to the decision proposal by the Management Board and the Supervisory Board stated under Agenda Item Ad.6 of the Invitation to the General Assembly of the company Croatian Telecom – Decision on amendments to Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom**

Dear all,

On 26 March 2024, the Management Board of the company Croatian Telecom Inc., Zagreb, Radnička cesta 21 (hereinafter: “HT” or “the Company”) passed the decision on convoking the General Assembly of HT, with the Agenda which under Item Ad.6 includes amendments to the Articles of Association, i.e., Article 5, Article 8a, Article 32 and Article 39.

The Company **INTERCAPITAL ASSET MANAGEMENT Ltd.**, Zagreb, Masarykova 1, OIB: 59300096187, as company for management of **Croatian Homeland war veterans and their family members Fund** (hereinafter: “the Fund”), whose assets, *inter alia*, also contain HT shares, marked HT-R-A, on grounds of Article 282 paragraph 1 of the Companies Act (Official Herald Nos.: 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, hereinafter: “ZTD”), on behalf of the Fund delivers attached hereto **the counterproposal** to the decision which is in the Invitation to the General Assembly of the Issuer, to be held on 8 May 2024, listed as Ad.6 – *Decision on amendments to Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom*, together with the explanation of the counterproposal.

HT is kindly asked to make the Counterproposal available to shareholders in due time and in proscribed manner, in line with Article 241 of the CA, given that it is being delivered at least 14 days before the day of holding of the General Assembly.

Kind regards,

(signature)

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Ivan Kurtović, President of the Management Board  
**INTERCAPITAL ASSET MANAGEMENT Ltd.**  
**on behalf of Croatian Homeland war veterans and their family members Fund**

In Zagreb, 18 April 2024

Counterproposal:

In line with Article 282, paragraph 1 of the CA, the company **INTERCAPITAL ASSET MANAGEMENT Ltd., on behalf of Croatian Homeland war veterans and their family members Fund**, in relation to Agenda Item Ad.6 (*Decision on amendments to Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom*) hereby makes the following:

*Counterproposal*

It is proposed to adopt the following decision Ad.6

***“Decision on Amendments to Article 5, Article 8a, Article 32 and Article 39 of the Articles of Association of the Joint Stock Company Croatian Telecom***

**Article 1**

In Article 5, paragraph 1, Item 65 is added which reads as follows: “intermediation in waste management “

**Article 2**

Behind existing Article 8 of the Articles of Association, new Article 8a is added, which read as follows:

“Article 8a

The Management Board is authorized, with the approval of the Supervisory Board, to pass one or more decisions on increase of the share capital by issuing new shares with the payment of stake (approved share capital). The Management Board is authorized to increase the share capital in this manner up to the half of amount of the share capital at the time of coming into force of this provision of the Articles of Association, i.e., up to the amount of EUR 679,871,086 (in words: six hundred seventy-nine million eight hundred seventy-one thousand and eighty-six euro).

Stake for the new shares is paid in rights, i.e., exclusively in a way that shares can be acquired as a substitution for claims that shareholders have towards the Company on the ground of right for payment of dividend of the Company. In that case, the decision of the Management Board, and the decision of the Supervisory Board granting approval thereon, can start making effect only after the General Assembly passes the decision that profit shall be paid out to shareholders and after the shareholders acquire the claims for dividend payment in line with the provision of Article 223 of the Companies Act and the decision of the General Assembly on utilization of profit.

The Management Board is authorized, with the approval of the Supervisory Board, to decide on the content of the rights from the shares and on the conditions for issuing those shares. In so doing, only regular shares can be issued which are in registered form and without a nominal amount. Each newly issued share gives right to one vote. The Management Board is not authorized to exclude priority right of existing shareholders to register shares which are issued based on this provision of the Articles of Association. The amount of the share capital which falls to a single share after the performed increase cannot be less than an amount of the share capital which fell to a single share before its increase.

The Supervisory Board is authorized to align the provisions of the Articles of Association with the changes to the amount of the share capital and the number of the shares of the Company, all based on the increase of the share capital of the Company and issuing of new shares based on the authorization of the Management Board from this Article of the Articles of the Association.

This authorization is granted to the Management Board for a period of five years as of coming into force of this provision of the Articles of Association, i.e., as of the entry of the amendments to the Articles of Association by which the authorization is granted into the Court Register.”

**Article 3**

In Article 32 of the Articles of Association behind paragraph 2, new paragraphs 3 and 4 are being added, which read as follows:

"The General Assembly can decide to assign shares of the Company to shareholders on the ground of the pay out of profit. If the General Assembly decides that profit shall be paid out to shareholders in shares of the Company, the same decision shall determine the criteria based on which shares of the Company shall be distributed to shareholders on the ground of the pay out of dividend.

The General Assembly can decide that shareholders who wish can acquire shares of the Company in exchange for pay out of dividend."

Former paragraph 3 of the Articles of Association becomes paragraph 5.

#### **Article 4**

In the clean text of the Articles of Association, Article 39 shall be amended to read as follows:

"By coming into force of these Articles of Association, the Articles of Association of the Company in the form as adopted on December 7, 1998, with amendments as of October 5, 1999, October 24, 2001, June 28, 2002, December 17, 2004, April 23, 2007, April 21, 2008, April 21, 2010, May 4, 2011, June 17, 2013, April 29, 2014, April 29, 2015, April 21, 2016, April 25, 2017, March 23, 2018, May 6, 2019, June 21, 2019, July 20, 2020, April 23, 2021, July 7, 2022, May 10, 2023 and December 14, 2023 shall cease to be valid."

#### **Article 5**

All other provisions of the Articles of Association shall remain unchanged.

#### **Article 6**

This Decision on Amendments to the Articles of Association shall come into force and apply as of the date of entry in the Court Register.

#### **Article 7**

The Supervisory Board shall be authorized to specify the clean text of the Articles of Association in accordance with this Decision on Amendments to the Articles of Association".

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#### **Explanation:**

Proposed amendments to the Articles of Association of HT foresee granting authority to the Management Board to, with the consent of the Supervisory Board, pass the decision on increase of the share capital (approved capital) of the Company. Increase of share capital is possible by payment of stake in money, or by entry of rights. Thereby it is stated as the basic rule that the stake for new shares is paid in money, and that the Management Board can exceptionally, with the consent of the Supervisory Board, decide that the stake for new shares can be paid in rights, in a way that shares can be acquired in substitution for claims that shareholders have towards the Company on the ground of right for payment of dividend of the Company.

Given that the general assembly is always entitled to pass the decision on increase of the share capital by payment of stake in money, we deem that granting authority to the Management Board to, with the consent of the Supervisory Board, pass the decision on increase of the share capital by payment of stake in money could lead to the situation where certain shareholders would not be able to participate in such a procedure of increase of the share capital in case when they do not dispose with sufficient monetary funds needed to pay the stake. Furthermore, in this case shareholders do not have the opportunity to question the decision on increase of share capital at the general assembly. On the other hand, if increase of the share capital as approved capital is enabled exclusively in the way of entering rights, i.e., claim for payment of dividend, shareholders can participate with that claim in the increase of share capital without the need to invest additional funds. At the same time, thereby the right of shareholders to pass the decision on increase of share capital by payments of stake in money, if such need arises, is in no way infringed.

In line therewith, it is proposed to the General Assembly to adopt the stated proposals, and to the Chairman of the General Assembly to submit the said counterproposal to shareholders to vote prior to decision making on the earlier proposal by the Management Board and the Supervisory Board of HT.

**INTERCAPITAL ASSET MANAGEMENT Ltd.**

on behalf of Croatian Homeland war veterans and their family members Fund

*(signature)*

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Ivan Kurtović, President of the Management Board

In Zagreb, 18 April 2024